UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, DC 20436

MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 111th Congress ¹

[Date approved: July 15, 2010]²

Bill No. and sponsor: S. 2525 (Ms. Maria Cantwell of Washington).

Proponent name, 3 location: Outdoor Industry Association, Boulder, CO.

Other bills on product (111th Congress only): None.

Nature of bill: Extension of temporary duty suspension through December 31, 2011.⁴

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Men's footwear (except vulcanized footwear and footwear with waterproof molded bottoms, including bottoms comprising an outer sole and all or part of the upper), valued over \$23/pair, designed to be worn in lieu of, but not over, other footwear as a protection against water, oil, grease or chemicals or cold or inclement weather where such protection includes protection against water that is imparted by the use of a coated or laminated textile fabric (provided for in subheading 6402.99.33).

| Check one: | X Same as that in bill as introduced. |
|------------|--|
| | Different from that in bill as introduced (see Technical comments section) |

Product information, including uses/applications and source(s) of imports:

The bill covers men's footwear designed for rugged outdoor activities such as hiking and trail running. Trail running shoes have nobbier, stiffer soles and are generally more rigid and protective than road running shoes. Under the duty suspension heading, the subject footwear must be valued at over \$23/pair with outer soles and uppers of rubber or plastics and have waterproofing properties imparted by coated or laminated textile fabrics. China is the leading supplier of these imports.

Industry analyst preparing report: Laura Rodriguez (202-205-3499); Tariff Affairs contact: Jan Summers (202-205-2605).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff affairs/congress reports/.

³ The sponsor and proponent stated there are more than ten beneficiaries (numerous retailers and suppliers) of this bill.

⁴ Heading 9902.23.77 had afforded duty-free entry upon proper claim to the subject footwear through the end of 2009.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 6402.99.33:

| $ \bigg \rangle \! \bigg \rangle$ | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|-------------|-------------|--------------|-------------|-------------|
| Col. 1-General rate of duty | 37.5% | 37.5% | 37.5% | 37.5% | 37.5% |
| Estimated value dutiable imports ^a | \$6,270,000 | \$6,270,000 | \$6,270,,000 | \$6,270,000 | \$6,270,000 |
| Customs revenue loss b | \$2,351,250 | \$2,351,250 | \$2,351,250 | \$2,351,250 | \$2,351,250 |

 $[\]underline{a}'$ Source of estimated dutiable import data: Commission estimates based on trade data provided by the \overline{U} .S. Department of Commerce and industry representatives.

Contacts with domestic firms/organizations (including the proponent):

| Name of firm/organization | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
|---|-------------------|---|----------------------|-------------------|
| | | (Yes/No) | | |
| Outdoor Industry Association (Proponent) Alex Boian, 303-444-3353 | 12/01/2009 | No | Yes | No |
| American Apparel and Footwear Association Nate Herman, Vice President (703-797-9062) | 12/01/2009 | No | Yes | No |
| Columbia Sportswear Jeff Tooze, 503-985-4039 | 12/17/2009 | No | Yes | No |
| Footwear Retailers and Distributors of America Matt Priest, 202-737-5660 | 11/30/2009 | No | Yes | No |
| Marmot Mountain LLC Laura Miera, 707-544-4590 | 12/17/2009 | No | Yes | No |
| Rubber and Plastic Footwear Manufacturers Assn. Mitchell J. Cooper, 202-331-1858 | 11/30/2009 | No | No | No |
| VF Corporation/North Face Rafferty Jackson, 510-614-4088 | 1/05/2010 | No | No | No |
| W.L. Gore & Associates Mike Ratchford, 302-292-4147 | 1/07/2010 | No | No | No |

Technical comments: None.

<u>b</u>/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.



111TH CONGRESS 1ST SESSION

S. 2525

To extend and modify the temporary suspension of duty on certain men's footwear, valued over \$23/pair, with a coated or laminated textile fabric.

IN THE SENATE OF THE UNITED STATES

OCTOBER 30, 2009

Ms. Cantwell introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To extend and modify the temporary suspension of duty on certain men's footwear, valued over \$23/pair, with a coated or laminated textile fabric.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. CERTAIN MEN'S FOOTWEAR, VALUED OVER \$23/
- 4 PAIR, WITH A COATED OR LAMINATED TEX-
- 5 TILE FABRIC.
- 6 (a) IN GENERAL.—Heading 9902.23.77 of the Har-
- 7 monized Tariff Schedule of the United States (relating to
- 8 certain men's footwear, valued over \$23/pair, with a coat-
- 9 ed or laminated textile fabric) is amended—

| 1 | (1) by striking "\$20/pair" and inserting "\$23/ |
|---|--|
| 2 | pair"; and |
| 3 | (2) by striking the date in the effective period |
| 4 | column and inserting "12/31/2011". |
| 5 | (b) Effective Date.—The amendment made by |
| 6 | subsection (a) applies to goods entered, or withdrawn from |
| 7 | warehouse for consumption, on or after the 15th day after |
| 8 | the date of the enactment of this Act |

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